NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

such part of the leased premises.

PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this 20 d.	ay of Ju	NF	2000 hu	and between	
MARY V. DISHARY F/r/A MARY V.	11	MAKNED PL		and between	
	RT WORTH		7/1/9	1	
and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Sulthereinabove named as Lessee, but all other provisions (including the c	e 1870 Dallas Tex	as 75201, as Les	see. All printed portions of the	as Lessor, nis lease were prepared by the party	
In consideration of a cash bonus in hand paid and the co- described land, hereinafter called leased premises:	venants herein cont	ained, Lessor her	reby grants, leases and lets	exclusively to Lessee the following	
245 ACRES OF LAND, MORE OR LESS, BEIN	G LOT(S)	2	>	, BLOCK8	
OUT OF THE TOREST OAKS	\			ADDITION TO THE CITY OF	
IN VOLUME 388 3 , PAGE 57	ANT COUNTY,	TEXAS, ACC THE PLAT RE	CORDING TO THAT C ECORDS OF TARRAN	ERTAIN PLAT RECORDED T COUNTY, TEXAS.	
In the County of Tarrant, State of TEXAS, containing gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.					
This lease, which is a "paid-up" lease requiring no rentals, sha as long thereafter as oil or gas or other substances covered hereby are			ne leased premises or from la)years from the date hereof, and for inds pooled therewith or this lease is	
otherwise maintained in effect pursuant to the provisions hereof. 3. Royalties on oil, gas and other substances produced and se	ved hereunder shall	be paid by Lesse	e to Lessor as follows: (a) F	or oil and other liquid hydrocarbons	
separated at Lessee's separator facilities, the royalty shall be lower Lessor at the wellhead or to Lessor's credit at the oil purchaser's trans	portation facilities, p	rovided that Less	ee shall have the continuing	right to purchase such production at	
the wellhead market price then prevailing in the same field (or if then prevailing price) for production of similar grade and gravity; (b) for	e is no such price th r gas (including ca:	nen prevalling in t sing head gas) a	the same field, then in the no and all other substances co	earest field in which there is such a wered hereby, the royalty shall be	
WENTE TIVE TELESTIC OF THE PROCEEDS SEVERANCE, OR other excise taxes and the costs incurred by Lessee in a	realized by Lessee f	rom the sale there	eof, less a proportionate part	of ad valorem taxes and production.	
have the continuing right to purchase such production at the prevailing then prevailing in the same field, then in the nearest field in which the	wellhead market prid	ce paid for produc	tion of simllar quality in the s	ame field (or if there is no such price	
nearest preceding date as the date on which Lessee commences its pu	rchases hereunder;	and (c) if at the er	nd of the primary term or any	time thereafter one or more wells on	
the leased premises or lands pooled therewith are capable of either pr hydraulic fracture stimulation, but such well or wells are either shut-in or	oducing oil or gas or or production there fo	other substances om is not being so	s covered hereby iπ paying qu old by Lessee, such well or w	lantities or such wells are walting on ells shall nevertheless be deemed to	
be producing in paying quantities for the purpose of maintaining this le	ase. If for a period o	f 90 consecutive	days such well or wells are si	hut-in or production there from Is not	
being sold by Lessee, then Lessee shall pay shut-in royalty of one dol depository designated below, on or before the end of said 90-day period	od and thereafter on	or before each ar	niversary of the end of said !	90-day period while the well or wells	
are shut-in or production there from is not being sold by Lessee; pro Lessee from another well or wells on the leased premises or lands poor					
of such operations or production. Lessee's failure to properly pay shut-	in royalty shall rende	r Lessee liable fo	r the amount due, but shall no	ot operate to terminate this lease.	
 All shut-in royalty payments under this lease shall be paid or be Lessor's depository agent for receiving payments regardless of chair 	tendered to Lessor (ages in the ownershi	or to Lesson's cred p of said land. All	dit in <u>at lessor's address al</u> payments or tenders may be	bove or its successors, which shall made in currency, or by check or by	
draft and such payments or tenders to Lessor or to the depository by address known to Lessee shall constitute proper payment. If the depo	deposit in the US Ma	ails in a stamped	envelope addressed to the di	epository or to the Lessor at the last	
payment hereunder, Lessor shall, at Lessee's request, deliver to Lesse	e a proper recordabl	e instrument nam	ing another institution as depo	ository agent to receive payments.	
Except as provided for in Paragraph 3, above, if Lessee drills premises or lands pooled therewith, or if all production (whether or r	a well which is inca not in paying guantit	pable of producing ies) permanently	g in paying quantities (herein: .ceases from any cause, inc	after called "dry hole") on the leased luding a revision of unit boundaries	
pursuant to the provisions of Paragraph 6 or the action of any gov	ernmental authority,	then in the ever	nt this lease is not otherwise	e being maintained in force it shall	
nevertheless remain in force if Lessee commences operations for rew on the leased premises or lands pooled therewith within 90 days after	completion of operat	ions on such dry	hole or within 90 days after s	uch cessation of all production. If at	
the end of the primary term, or at any time thereafter, this lease is n operations reasonably calculated to obtain or restore production theref	ot otherwise being r	naintained in forc	e but Lessee is then engage	ed in drilling, reworking or any other	
no cessation of more than 90 consecutive days, and if any such oper	ations result in the p	production of all a	r gas or other substances co	overed hereby, as long thereafter as	
there is production in paying quantities from the leased premises or la Lessee shall drill such additional wells on the leased premises or lands	pooled therewith as	a reasonably pru	dent operator would drill unde	er the same or similar circumstances	
to (a) develop the leased premises as to formations then capable of leased premises from uncompensated drainage by any well or wells to	producing in paying	quantities on the	leased premises or lands po	poled therewith, or (b) to protect the	
additional wells except as expressly provided herein.					
Lessee shall have the right but not the obligation to pool all depths or zones, and as to any or all substances covered by this lea	or any part of the lea use, either before or	ased premises or after the comme	interest therein with any other neement of production, when	er lands or interests, as to any or all never Lessee deems it necessary or	
proper to do so in order to prudently develop or operate the leased pre	mises, whether or n	at similar pooling	authority exists with respect t	to such other lands or interests. The	
unit formed by such pooling for an oil well which is not a horizontal co horizontal completion shall not exceed 640 acres plus a maximum acre	eage tolerance of 10	%: provided that a	a larger unit may be formed fo	or an oil well or gas well or horizontal	
completion to conform to any well spacing or density pattern that may of the foregoing, the terms "oil well" and "gas well" shall have the me	be prescribed or per	mitted by any gov	∕ernmental authority having ju	urisdiction to do so. For the purpose	
prescribed, "oil well" means a well with an initial gas-oil ratio of less that	in 100.000 cubic fee	t per barrel and "g	gas well" means a well with a	n initial gas-oil ratio of 100,000 cubic	
(feet or more per barrel, based on 24-hour production test conducte equipment; and the term "horizontal completion" means an oil well	ed under normal pro in which the horizor	iducing condition: intal component o	s using standard lease sepa of the gross completion inter	arator facilities or equivalent testing val in facilities or equivalent testing	
equipment, and the term "horizontal completion" means an oil well in component thereof. In exercising its pooling rights hereunder, Lesse	which the horizonta	I component of the	he gross completion interval	in the reservoir exceeds the vertical	
Production, drilling or reworking operations anywhere on a unit whic	h includes all or an	/ part of the leas	ed premises shall be treated	d as if it were production, drilling or	
reworking operations on the leased premises, except that the productionet acreage covered by this lease and included in the unit bears to the control of the	on an which Lessor' he total gross acres	s royalty is calcul: o⊨ in the unit. bu	ated shall be that proportion of the contract of the contract of the extent such pro-	of the total unit production which the oportion of unit production is sold by	
Lessee. Pooling in one or more instances shall not exhaust Lessee's	pooling rights hereu	nder, and Lessee	shall have the recurring righ	it but not the obligation to revise any	
unit formed hereunder by expansion or contraction or both, either be prescribed or permitted by the governmental authority having jurisdict	ion, or to conform to	any productive a	acreage determination made	by such governmental authority. In	
making such a revision, Lessee shall file of record a written declaratio leased premises is included in or excluded from the unit by virtue of si	n describina the revi	sed unit and stati	ng the effective date of revisi	ion. To the extent any portion of the	
be adjusted accordingly. In the absence of production in paying quant	ities from a unit, or u	рол permanent c	essation thereof, Lessee may	terminate the unit by filling of record	
a written declaration describing the unit and stating the date of termina 7. If Lessor owns less than the full mineral estate in all or any page.	tion. Pooling hereun art of the leased pren	der shall not cons nises, the rovaltle	stitute a cross-conveyance of s and shut-in royalties payabl	interests. le hereunder for any well on any part	
of the leased premises or lands pooled therewith shall be reduced to the	ne proportion that Le	ssor's interest in s	such part of the leased premis	ses bears to the full mineral estate in	

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferse to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shul-in royalities hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of

the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royaltles shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, producer. tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, rlot, strike or labor disputes, or by inability to obtain a

Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to

purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable

time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other hearts. Such subsurface well bore agreements about run with bond and current reflection of this lease. enefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

natory's

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first writt heirs, devisees, executors, administrators, successors and assigns, whether or not this le	
LESSOR (WHETHER ONE OR MORE) May Allow	
By: MARY V. DisHMAR!	Ву:
ACKNOWLE	DGMENT
STATE OF	The 2009,
DANE A. KNOIT Notary Public, State of Texas My Commission Expires September 18, 2011	Notary Public-State of TEXAS Notary's name (printed): DANE KNOTI Notary's commission expires:
STATE OF	
COUNTY OF day of	, 2009,



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

DALLAS

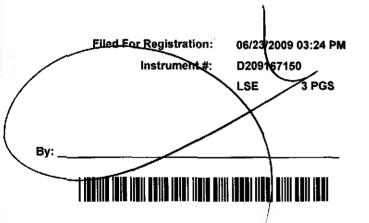
TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

\$20.00



D209167150

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